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SUBJECT: CPN-UML AND NC-D WEIGH IN ON ARMS MANAGEMENT

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Classified By: Ambassador James F. Moriarty. Reasons 1.4 (b/d)

Summary

11. (C) On October 27, the Ambassador met with General Secretary of the Nepal Communist Party - United Marxist

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Leninist (CPN-UML) MK Nepal and Nepal Congress-Democratic (NC-D) President Sher Bahadur Deuba to discuss the Ambassador's consultations in the U.S. and the status of peace talks, particularly the contentious issue of arms management. The Ambassador and Deuba agreed that the two main issues on the table have remained the same for six weeks: arms management and enforcement of law and order (reftel). MK Nepal expressed the need for a phased strategy for Maoist arms management but emphasized that the process had to be complete before constituent assembly elections tentatively slated for next spring. While MK Nepal assumed the People's Liberation Army (PLA) would be confined to UN-monitored barracks, he expressed real concern that Maoist militias still operated with impunity in the countryside. Deuba also emphasized that PLA arms management was not enough--extortion and intimidation by Maoist militia and the reassertion of a GON security presence in the countryside had to be addressed in the peace settlement. MK Nepal felt the GON and Maoists were moving towards a settlement and that both a third People's Movement and an armed Maoist uprising were unlikely.

MK Nepal and Deuba Briefed on USG Views

12. (C) In separate meetings with CPN-UML General Secretary MK Nepal and NC-D President Deuba, the Ambassador emphasized that U.S. senior policymakers had stressed in his meetings in Washington October 11 - 14 that Maoist separation from arms was a necessary first step for Maoist participation in government. Absent effective management of arms, the USG feared the Maoists could take over the government from within or intimidate voters in the lead up to constituent assembly elections. He also referred to the grave concerns he had heard, including at U.S. Pacific Command in Hawaii, regarding continuing Maoist violations of the Ceasefire Code of Conduct.

MK Nepal and Deuba Say Armed Maoist Uprising Unlikely

13. (C) MK Nepal and Deuba expressed doubts regarding the potential for an armed uprising by the Maoists. Because of insufficient military strength and lack of support from the Nepali population, MK Nepal said the Maoists would be "foolish" or even "suicidal" to make an armed move to take over power. He also discounted the potential for a third People's Movement, unless the Maoists were able to convince other political parties to join their cause. Instead, he feared, the Maoists would continue their intimidation tactics in the countryside. Deuba said that a delay in the peace process would only hurt Maoists and that he had advised the Prime Minister to take his time with peace talks. The Ambassador agreed that the longer the peace talks continued, the more difficult it would be for the Maoists to leave the negotiation table, attempt a violent confrontation, or convince Maoist cadre to return to the jungle without losing face and splintering Maoist ranks. Deuba noted that civil society had already toned down its pro-Maoist tendencies.

MK Nepal on Arms Management: A Phased Strategy Prior to Elections

14. (C) MK Nepal described a phased arms management process in which combatants from the People's Liberation Army would: 1) be confined to barracks; 2) be subject to a verification and registration process; and 3) be separated from their arms. MK Nepal was clear that these steps had to be taken before the constituent assembly elections slated tentatively for spring 2007. The Ambassador re-emphasized that under such a scenario, it would be important to ensure that Maoists were not let into the government with easy access to arms. In contrast to MK Nepal's election deadline, Deuba maintained his position that Maoists had to separate from arms before joining an interim government. Deuba also noted that the new Foreign Minister in India, Pranab Mukherjee, was "very anti-Maoist" and that his insistence on arms separation helped strengthen the GON position. MK Nepal went on to describe the need to anticipate longer term reintegration options for combatants, including whether Maoists were integrated into the security forces or reintegrated into communities with the opportunity for training and income generation. He also stressed the importance of changing the mindset of the combatants from that of fighters. Maoists had a "tradition" or a "habit," he said, of overcoming adversaries with arms.

15. (C) MK Nepal mentioned the ongoing discussions regarding who would "hold the key" to weapons and ammunition caches in an arms management effort, including the possibility that Prachanda would be the sole key holder and/or that the UN would control video cameras and other monitoring devices. The Ambassador highlighted to MK Nepal and Deuba the danger of a "one-key policy," noting the population would not be reassured if the Maoists were able to claim that they still had unimpeded access to their weapons. He raised the possibility of dual or multiple key-holders, including a neutral party such as the UN. The Ambassador stressed the symbolic importance of Prachanda not retaining sole access to Maoist arms and the confidence that could be built by having neutral observers playing a central role.

The Real Concern is Militias

16. (C) While assuming the PLA would be confined to UN-monitored barracks and begin an arms management process, both MK Nepal and Deuba expressed real concern over the lack of a plan to address Maoist militias operating in the countryside. MK Nepal expressed incredulity at the "billions" of Nepali rupees (NRS) the Maoist militia were extorting, describing the NRS 50,000 to 60,000 he believed the Maoists could draw in one day from illegal highway checkpoints, not to mention the amounts collected at customs

posts they had seized. (Note: 1 billion NRS is approximately 13.5 million U.S. dollars) MK Nepal stressed the militia dilemma: if they were not given alternate income generation opportunities, they would continue their extortion and intimidation tactics. Deuba also noted that unless the militias were separated from their arms, the rural population's fear would persist. MK Nepal emphasized that without changing the mindset of Maoist militia, even if they were subject to an arms management process, they would find other ways to obtain additional arms. He noted Nepal's porous borders.

17. (SBU) In the face of Maoist criminality in the countryside, MK Nepal highlighted the paralysis of GON security forces, particularly the police. He noted the massive Maoist violations of the Ceasefire Code of Conduct that had gone unchallenged by the GON, saying the state had "kept its eyes closed." He emphasized the importance of the GON reasserting control in the countryside, and countering Maoist militia and any parallel Maoist security and governance structures, as central to guaranteeing free and fair elections. The Ambassador acknowledged the deterioration of law and order and upsurge of fear in the countryside. While acknowledging the need to address the Maoist militia, he again raised the symbolic importance of the PLA separating from their weapons, demonstrating that the Maoists were serious about transforming into mainstream political players. He also described his understanding of the power that the militia obtained from the presence of an armed PLA, intimidating local populations with the threat that they were backed by "hundreds of fighters in the hills."

Comment

18. (C) MK Nepal and Deuba appear convinced that a third people's movement or a violent Maoist uprising is increasingly unlikely at this phase in the negotiation process. The negotiation process offers the Maoists their best chance for gaining power, with the key being what kind of arms management deal (if any) they can convince the GON to accept. The devil will likely be in the details and sequencing of a complex arms management process: Who will hold the key to arms caches? Will the vetting/verification and arms separation process occur before the Maoists enter the government or before the constituent elections? MK Nepal seems to be taking a softer line on the timeframe for arms separation than Deuba, reflecting the views of a strong CPN-UML faction which is more sympathetic to the Maoists. The Maoist militias, who are currently outside the arms management process but perpetrators of the majority of ongoing extortion and intimidation, remain a key issue. Options for reasserting GON presence and dealing with the Maoist militia outside Kathmandu Valley demand more attention and will be central to the achievement of free and fair elections.

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